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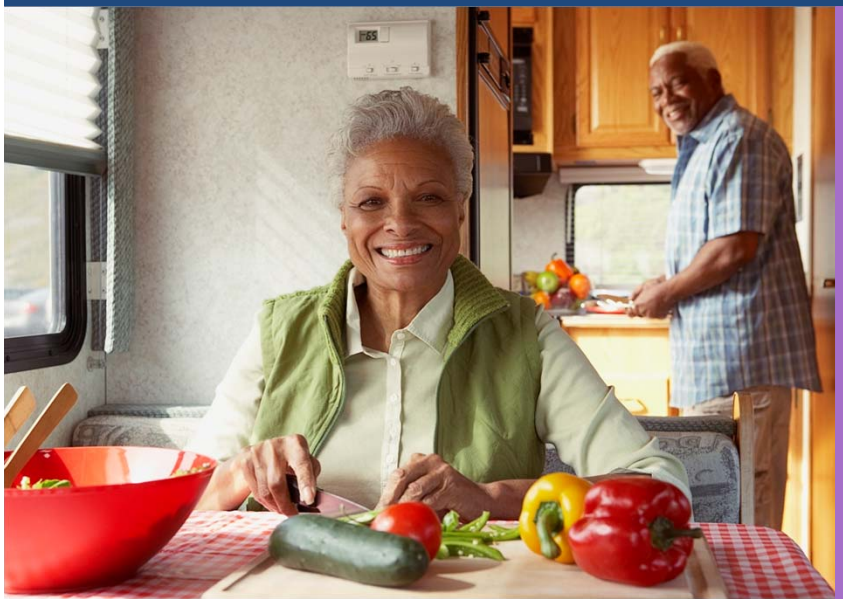
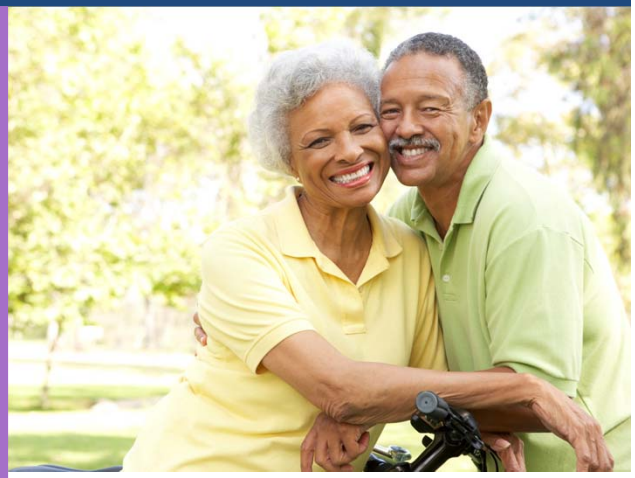
Primary Care Innovation to Improve Health of High Risk Populations





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Setting the context for today's discussion

Excellent primary and integrated care is a major unmet need for the US. It's virtually impossible to have an affordable health care system without it. One can make a strong argument that the capabilities of primary care have become weaker over the last 25 years.

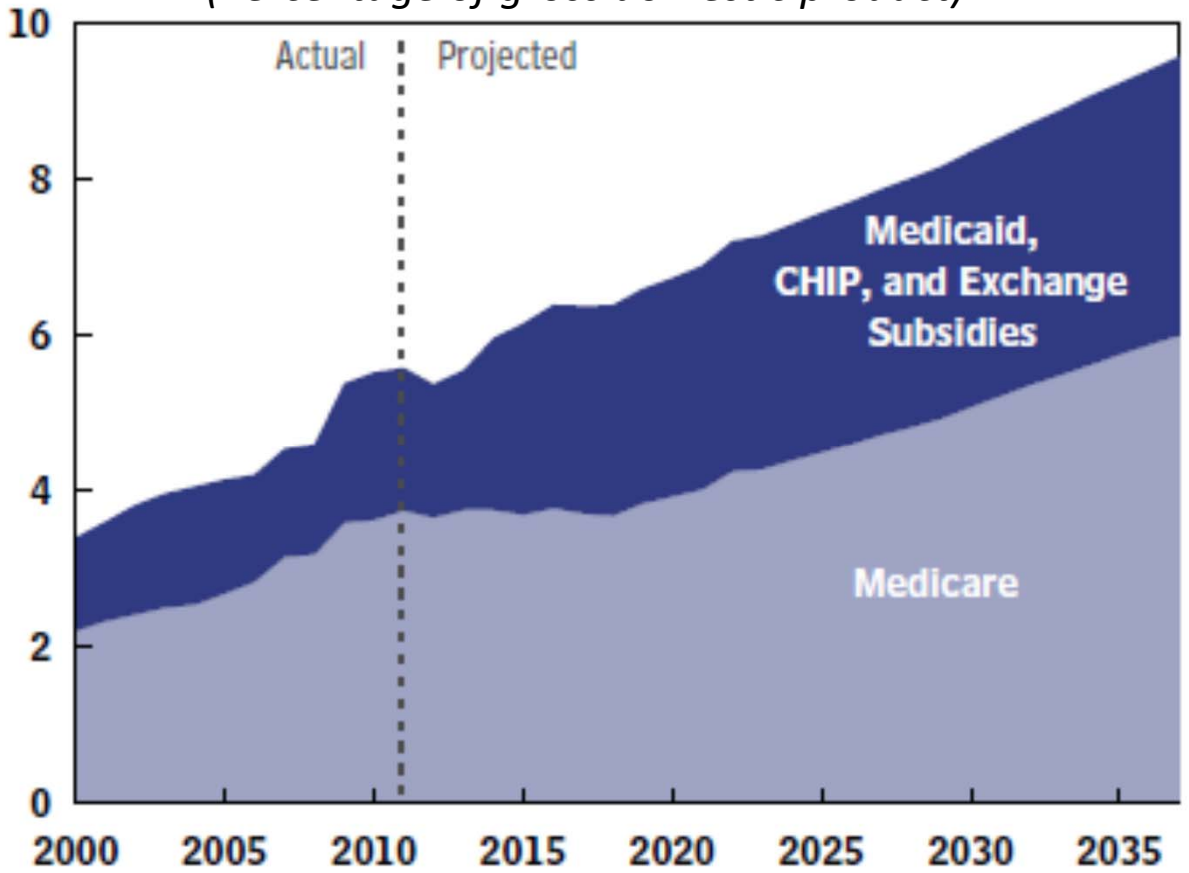
Everyone is looking to strengthen their primary care base – advent of the medical home, core strategy of every ACO, back in the game of purchasing practices. However, the vast majority of organized effort is in the context of larger integrated delivery systems or hospital based systems.

A minority of nation-wide efforts have been through companies focused on building primary care through bottom up innovation. There are structural and strategic reasons why these efforts drive more rapid innovation than existing entities. We will highlight some of these reasons through a look at Chen Med and additional examples of primary care innovation.

Health care has now become the primary future cost driver of federal government spending

Federal Spending on Major Health Care Programs, by Category, Under CBO's Extended Baseline Scenario

(Percentage of gross domestic product)



Source: Congressional Budget Office

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Many Health Systems have positioned themselves as a potential ACO

ACO Rewarded with Shared Cost Savings when Quality of Care Standards Met

Premier ACOs

SUMMA Health System

WELLSTAR

GEISINGER

Medicare ACOs

OSF HEALTHCARE

MERCY CEDAR RAPIDS

BEACON HEALTH PARTNERS

Private Sector ACOs

CARILION CLINIC

NORTON HEALTHCARE

UnityPoint Health Methodist

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But disruption in business models has been the dominant mechanism for making things more affordable

Yesterday	Today	Emerging
• Ford	• Toyota	• Chevy Volt
• Dept. Stores	• Wal-Mart	• Internet retail
• Delta	• Southwest Airlines	• Air taxis
• JP Morgan	• Fidelity	• ETFs
• Xerox	• Canon	• Zink
• IBM	• Microsoft	• Linux
• Cullinet	• Oracle	• Salesforce.com
• AT&T	• Cingular	• Skype
• State universities	• Community colleges	• Online universities
• Sony DiskMan	• Apple iPod	• Smart Phones

Source: Clayton M. Christensen

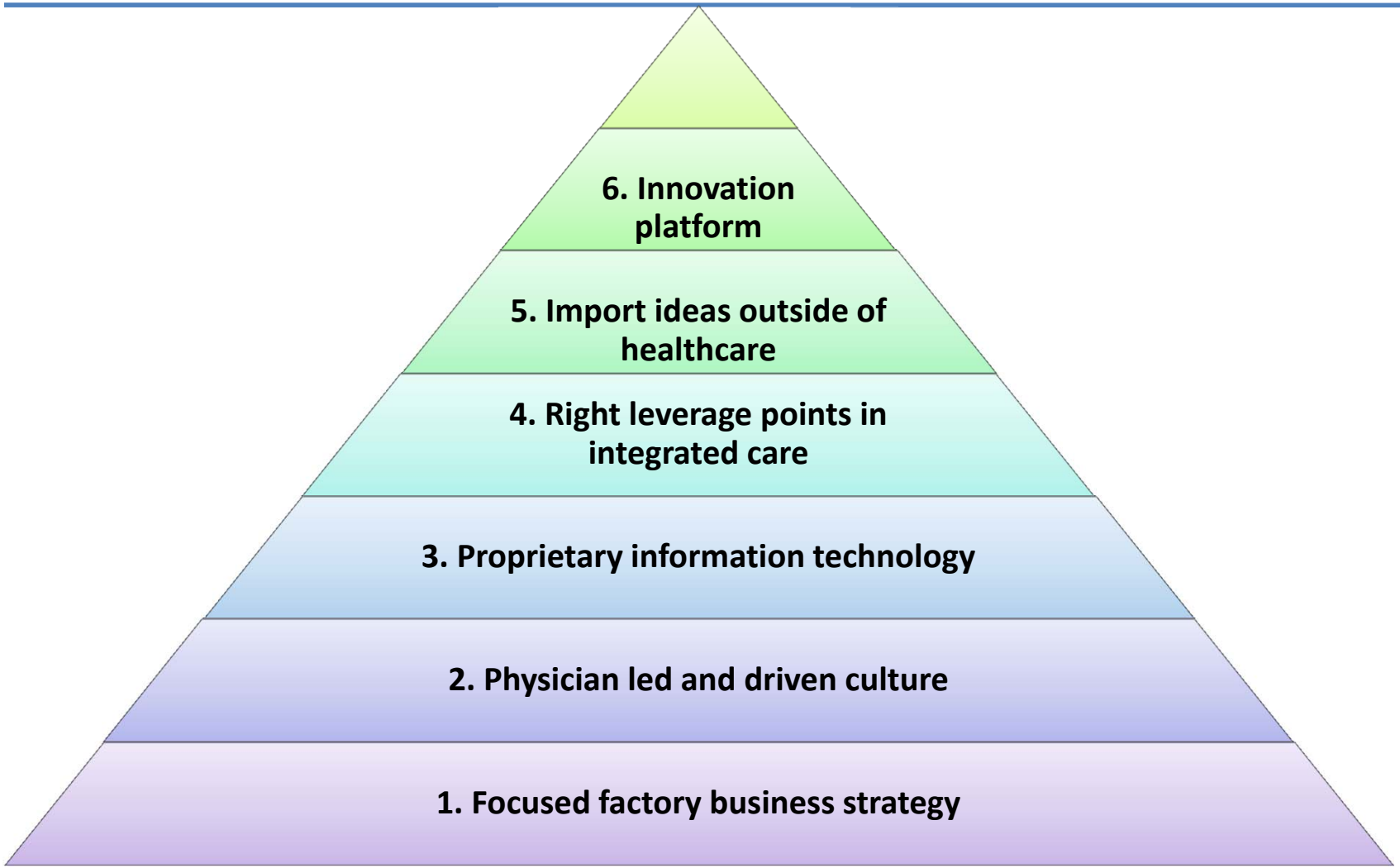
Snapshot of Chen Med

- Privately held primary care led physician group
- Focus on low to moderate income Medicare eligibles with multiple chronic conditions
- Vast majority are HMO Medicare Advantage ; risk adjusted capitation (percent of premium) varies from $10k - $20k per year
- One stop shop centers focused on the relationship with a patient with multiple co-morbid centers
- 2010 – 5 centers in FL ; 2013 end – 35 centers in FL, VA, LA, KY, GA, IL

Chen Med Vision

To positively change American Healthcare though primary care innovation for the neediest populations

How we compete



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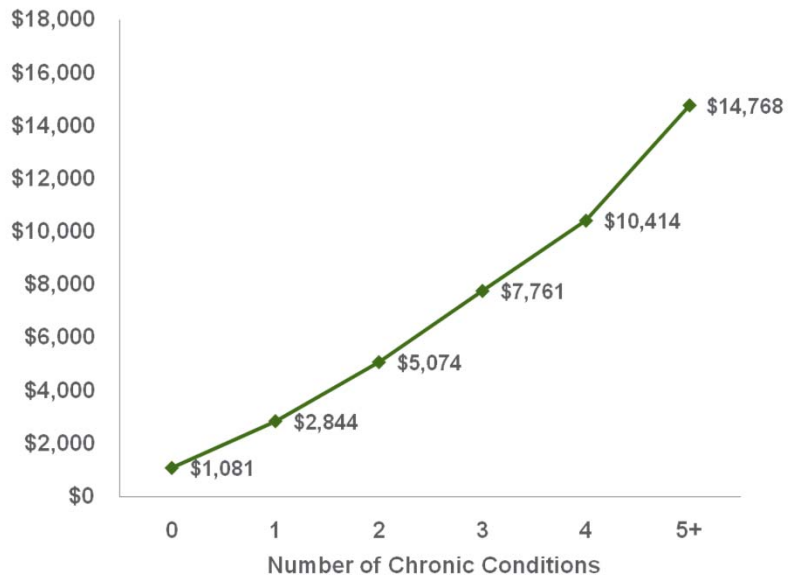
1. A focused approach

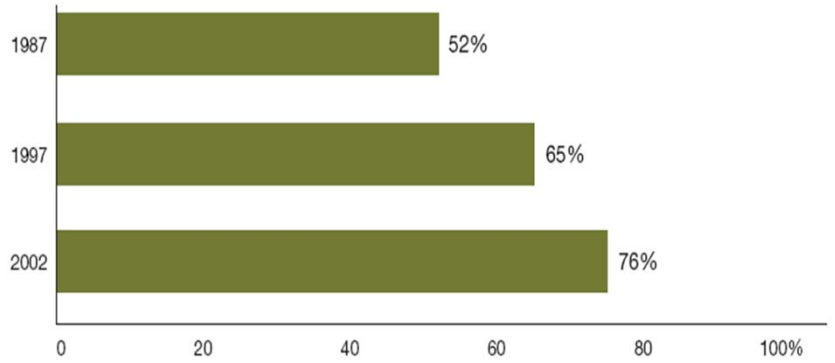
- Low to moderate income seniors
- 5 or more chronic conditions
- Urban areas with health system competition
- Vast majority of patients are HMO Medicare Advantage
- Take full capitation risk-adjusted capitation done through Hierarchical Condition Categories
- Joint venture outside of Florida with a single payor

Chronic conditions drive health care spending, especially in Medicare

Average per capita health care costs by number of chronic conditions



Medicare spending for patients with 5+ chronic conditions



Source: Thorpe and Howard (111)

Source: Medical Expenditure Panel Survey, 2006

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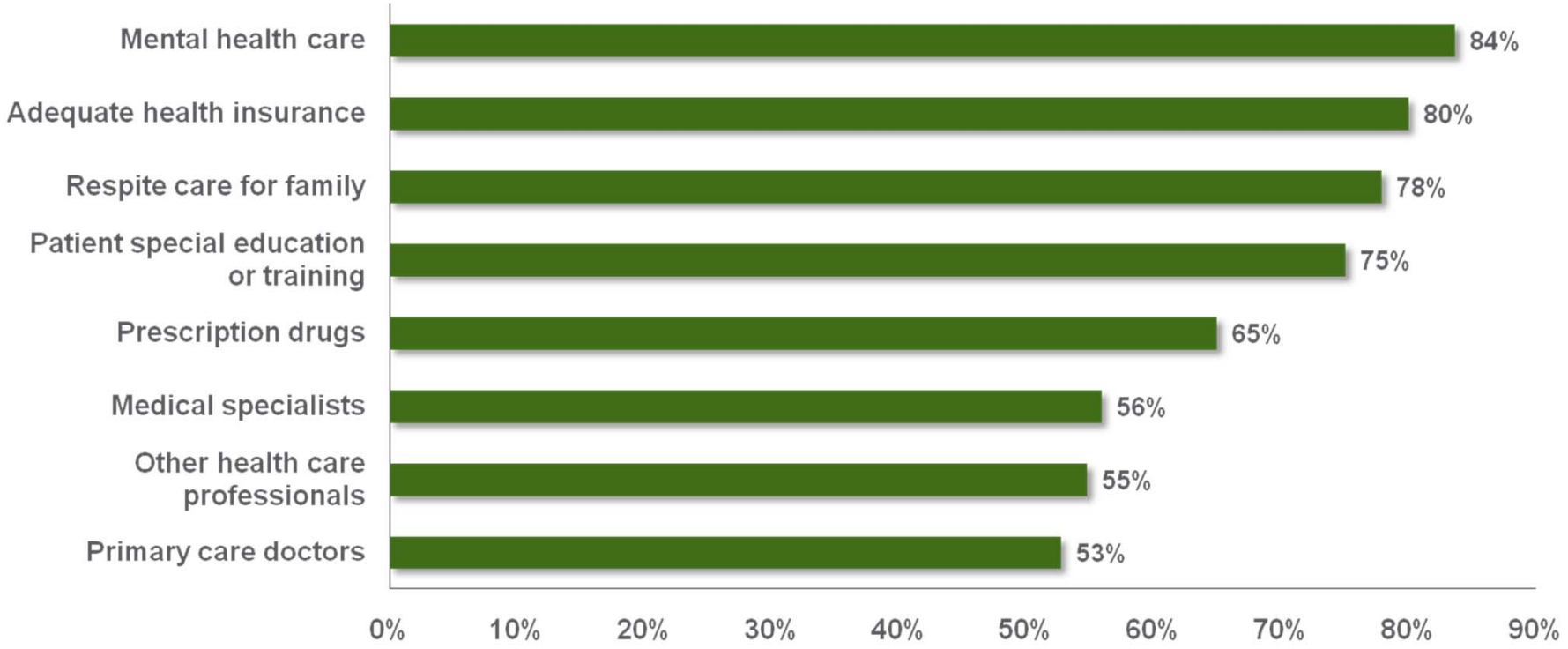
People with chronic conditions have significant unmet needs

Percentage of Physicians Who Believe Access Is Difficult or Very Difficult



Source: *National Public Engagement Campaign on Chronic Illness—Physician Survey*, conducted by Mathematica Policy Research, Inc. 2001.

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Designing the operations of a focused factory

One-stop shopping enhances coordination, collaboration, convenience, and compliance

Reproducible layout resembles an Ambulatory ICU

- Primary care doctors lead the care team and do not have private offices
- Onsite specialists to encourage physician to physician dialogue
- Onsite supportive services for convenience
- Capacity to keep patients out of hospital (e.g., IV Antibiotics, Diuresis)

Door-to-door transportation to our clinical sites improves access to care

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2. Building the physician culture

Physician leadership	▪ 70% of board are physician ▪ Medical directors as general managers
Employ the right internist	▪ Must like complex patients and medicine ▪ Skilled relationships with patient, team and each other ▪ Comfortable at working in a high performance culture – Apple vs. GM
Panel size of 400 – 450 patients	▪ Significantly increased time with the physician and patient ▪ 95% of the visits with the same physician ▪ Time to address important, not urgent issues
Accountability and peer review	▪ 3 times a week review of patient care in M&M conference ▪ Real time data and feedback of population outcomes ▪ Preserve balance of professional autonomy vs. evidence based practice
Physician value proposition	▪ Restoring medicine back to its roots ▪ Primary care led ▪ Salary in top quintile ; getting paid to be smart

3. Creating your own information technology

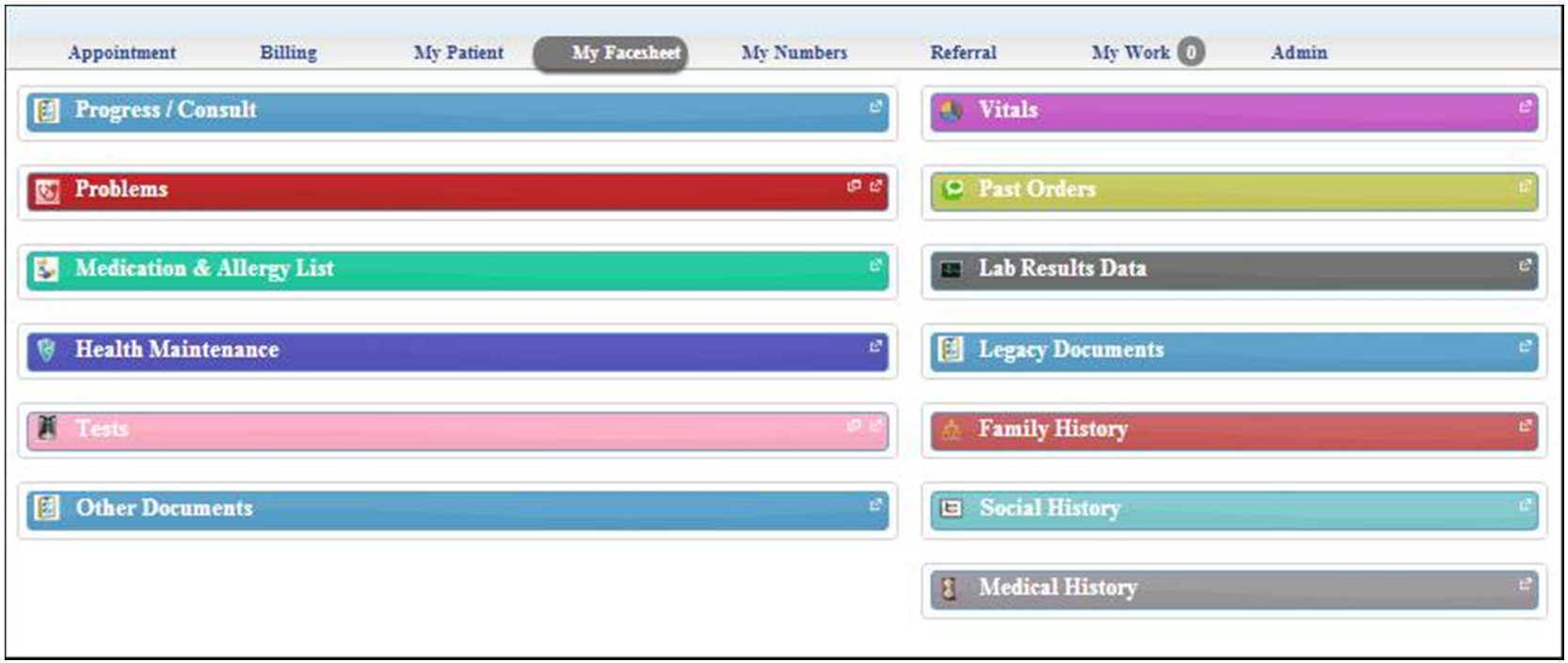
Vendor issues

- Business needs are different than other health systems – would need customization anyway
- Vendors trap health systems
- High implementation costs

Benefits

- Costs of technology development has gone down dramatically in last decade
- Benefits of customization
- Rapid iterative cycles through Agile methodology

Creating a Java, Cloud Based "Dashboard" for a Physician to Manage Panels . .



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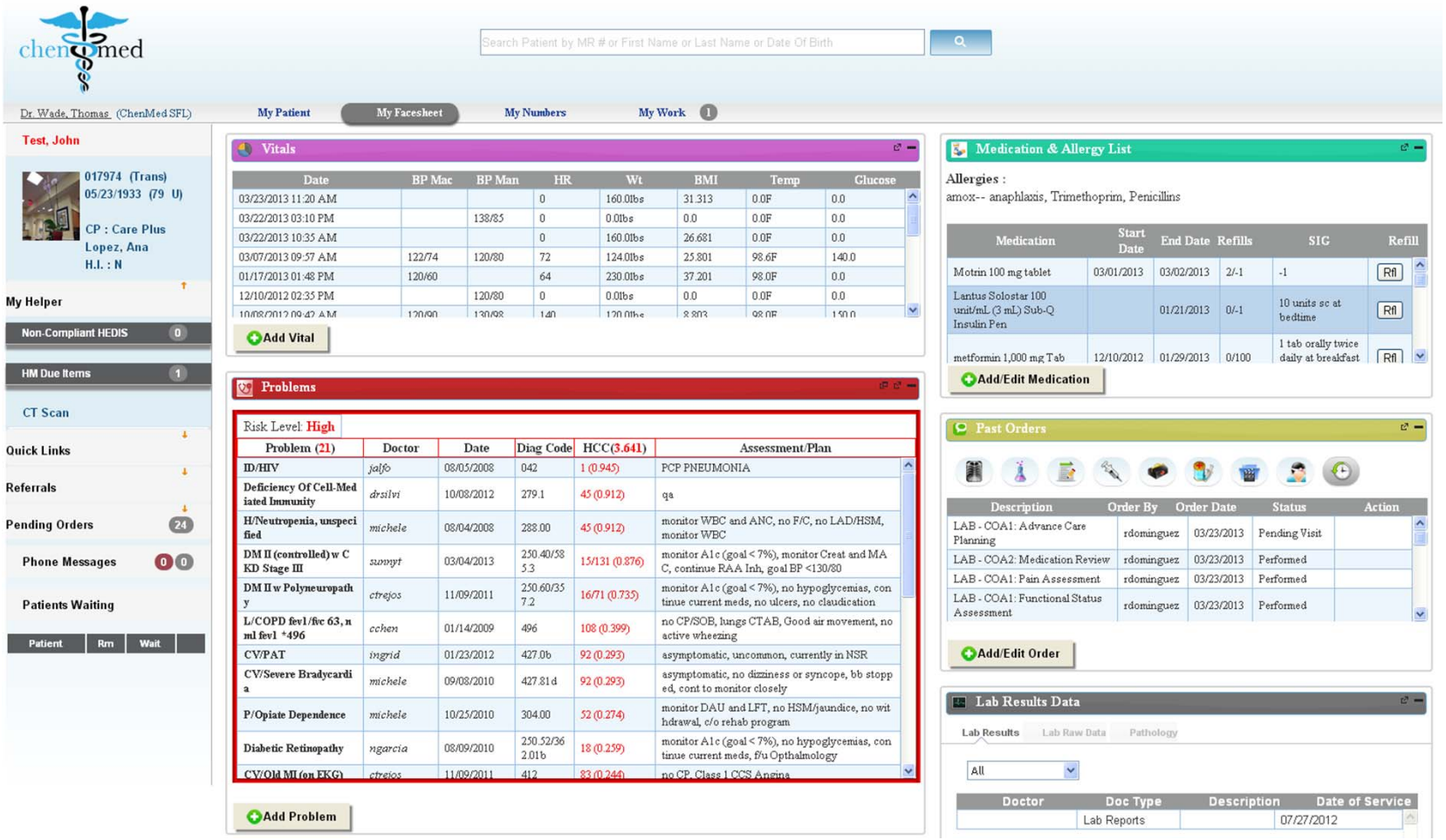
Widgets can get customized for each physician



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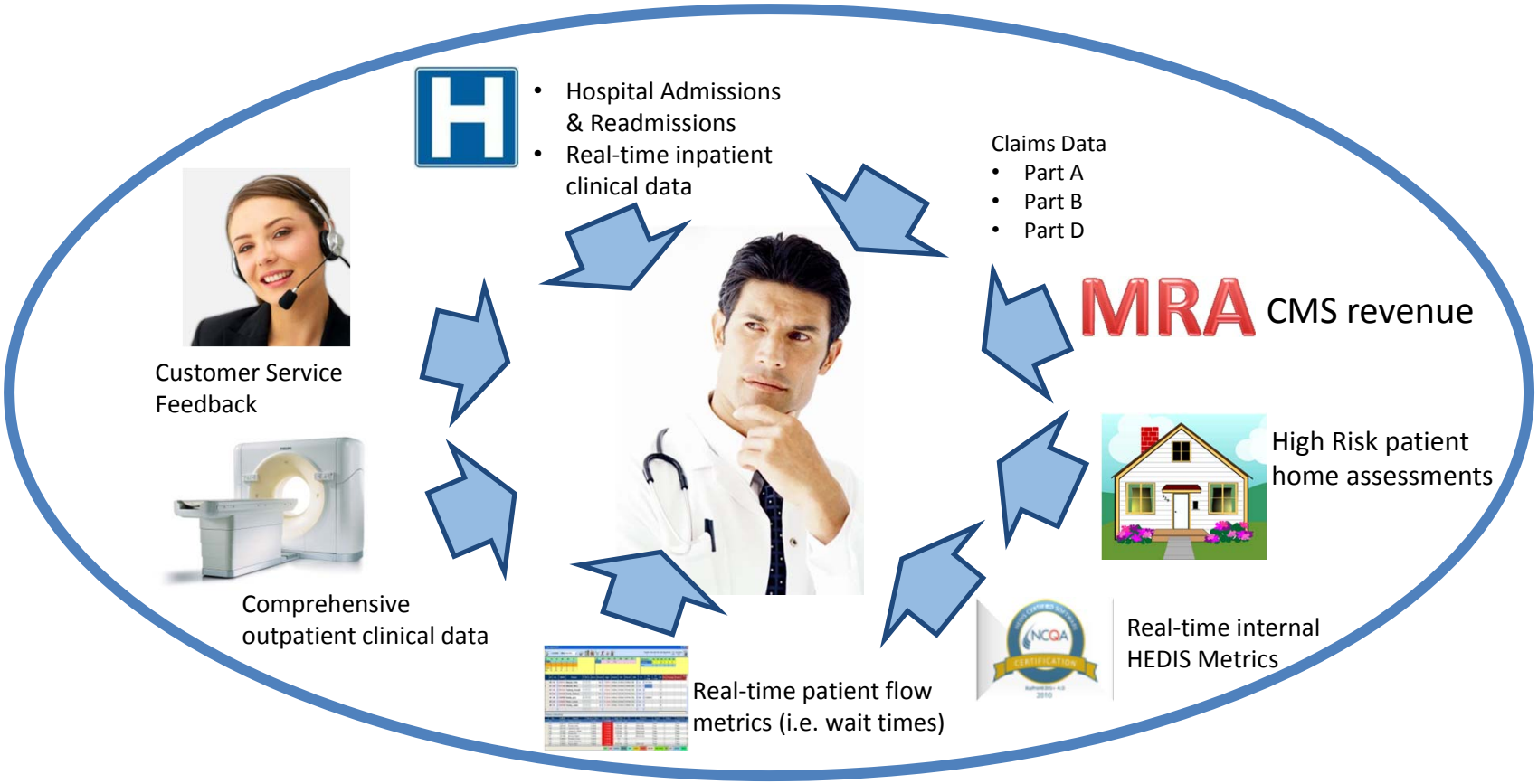
We view technology as being broader than electronic medical records

Registration and Intake	Physician Encounter	Orders – pharmacy, education	Continuum of Care
• Patient Life Cards • Greeting and eligibility displays • Air Traffic Controller	• Electronic Medical Records • Diagnostic accuracy algorithms • Decision support for HEDIS	• Robotic digitized pharmacy replacement system • iPad apps for patient education and physician education	• Hospital "twitter" with hospitalists and care managers • iPhone call system • Physician toolkit to review population outcomes

Cheaper to build than to adjust vendor's technology
Rapid cycle development with front line input
Use of consumer based platforms (e.g., Java) rather than healthcare legacy systems

Monitoring Performance and Creating Decision Support in the Physician's Toolkit



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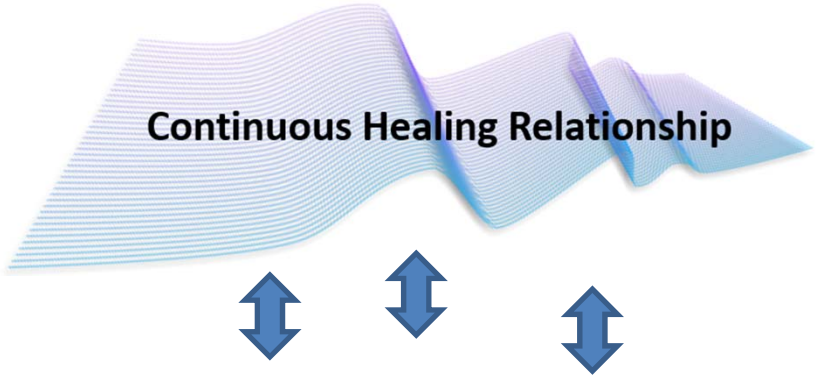
4. Looking for the right leverage points in integrated care



Procedures

Imaging

Hospitalizations

Medical Devices

"Integrate through the patient relationship"

- Over-invest and manage the patient relationship over time
- Primary care, chronic disease specialists, nursing
- > 85% touches with the patient within a year in our 4 walls
- Get decision making, communication and coordination right

"Collaborate to manage episodes"

- Discrete episodes of high cost care
- High existing fixed cost investment by existing system
- > 70% of costs in current system
- Payment by FFS or bundles
- Build sequenced collaborative relationships

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What are the key drivers of success in integrated care?

Focus on the patient relationship

- Entire team owns the relationship
- Relationship evolves over time
- >85% of the touch-points

Physician decision-making

- Selection and culture
- Decision support at point of care
- Positive incentives – the “tuned” patient panel

Convenience matters

- Redesigned system of on-site physician drug dispensing dramatically improves adherence
- On-site behavioral health model coordination

Communication

- Coordination of care
- Specialist – PCP communication in person
- Team conferences
- 3 times a week review of patient care by the physician group
- Transparent review of outcomes with all physicians

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Example Outcomes : Miami 2011

	ChenMed	National	Difference
Consumer Net Promoter Score	92	40-50	>100%
Medication Possession Ratio	73	42	73%
Hospital Days	1058	1712	(38%)
Percent of Ambulatory Encounters on Site	86%		
LDL of Patients on Statins	94	120	(22%)
PCP Visits with Same Physician	88%		

5. Bringing in ideas outside of healthcare

Central COEs and SS allow for rapid scaling

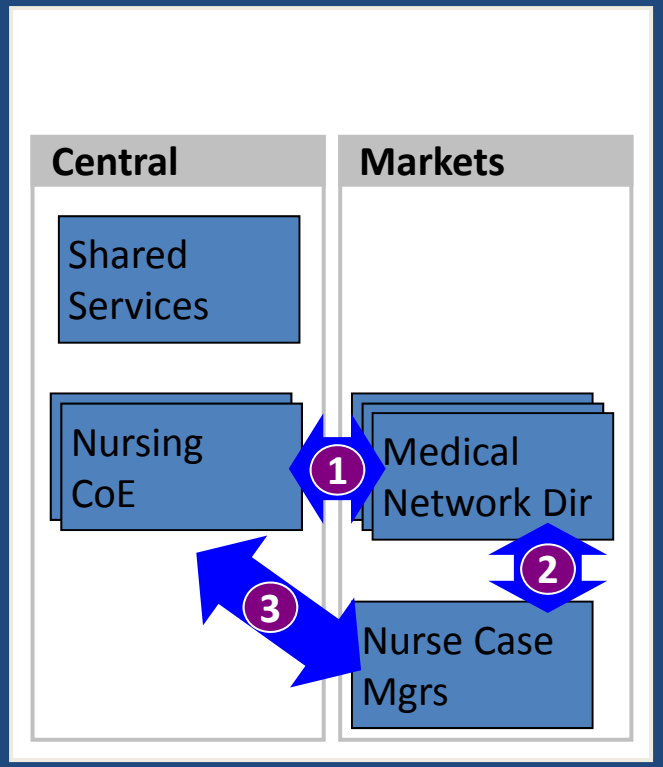
Shared services

- Payroll
- Accounting
- Transaction processing
- Insurance
- Billing
- Reporting

Centers of expertise

- Network
- Nursing
- Pharmacy
- HEDIS
- Diagnostic Accuracy
- Physician Education
- Clinical services investigation
- Business Intelligence

Interaction model archetypes



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Takeaways

- Increased investment in primary care on the front end can pay off
- Segmentation of patient type matters
- Focus of business can support faster innovation and change
- Hidden costs to today's technology approaches with vendors
- Early stages of innovation – a golden era